



MARKET SUMMARY BY EFFECTUS STRATEGY PRACTICE

After about 22 million jobs vanished at the onset of the national lockdown, job reports have suggested that a job resurgence is underway. However, the expiration of supplemental government financial aid is creating more pressure for Americans who are still unemployed. Since the nation's unemployment rate is still about 10.2%, the government is working to reach a compromise to execute a second stimulus package in order to provide additional relief to individuals and businesses. The lack of additional funds has been reflected in the economy and translated to a relapse in sentiment after promising gains to the index were seen during the months of May and June. In fact, many believe that the economy is still at risk of taking a major hit unless the government is able to provide more financial funding.

Now more than ever, people are taking extra precautions when it comes to their health and well-being. According to a study conducted by Deloitte in late-July, only 53% of those surveyed felt safe going to stores. Although this number is trending up, which is great for brick-and-mortar organizations, it still implies that there is much less business being done in-store than there was before the pandemic. The fact remains that the longer the consumer behavior is impacted by the pandemic, the more consumers will grow accustomed to the alternative retail digital experience.

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I. THE ART OF STORYTELLING

In the world of retail, most brands rely on the advertising and marketing efforts of their retail/commercial partners to educate their consumers about their brand story and value proposition(s). A brand's story focuses on *'why the business started'* and *'what makes them superior to other companies in their category.'* It also establishes familiarity and intimacy between the brand and the consumer, which serves as a key driver of customer lifetime value (CLTV). Going deeper than brand storytelling, however, is product storytelling.

Product storytelling is the brand's opportunity to speak to the problems they can solve and the value that a specific product can add to some aspect of the consumer's life. It is a tool that not only educates the consumer, but also has the potential to drive sales in a meaningful way. In fact, we have seen that strong digital product stories have played an effective substitute during the pandemic and are continuing to add value to the business strategies of many large players (e.g. Peloton, Nike, etc.) even as shopping patterns return back to normal.

In the same way that people learn differently, some product stories are better suited to certain formats over others. In the past, the format chosen was often guided by the storytelling medium that the content was created for (e.g. newspaper, billboard, magazine, etc.). However, the age of social media and data analytics has given businesses new flexibility in bringing their product stories to life using any combination of these tactics and also providing them with insights that can help them be most impactful. Many large brands, like Coca-Cola for example, focus on product stories that tap into more than one of the consumer's senses and evoke an emotion and connection to their products. From vintage prints to augmented reality, Coca-Cola continues to recalibrate their marketing strategies to stay fresh and make a long-lasting impression with their consumers.



II. STORYTELLING MEDIUMS

One of the most important considerations for your product story is **'how'** the story will be told. A product story can be illustrated in several different ways, including the following:

1. Written
2. Graphic
3. Video
4. Audio/Spoken

III. TRAITS OF AN EFFECTIVE PRODUCT STORY

Taking a step back, it is important to understand that a strong format for telling the product story is just one piece of the puzzle – foundationally, the most important piece is the message itself. In order to build an effective product story, you must

demonstrate that you understand your consumer and their needs. The goal of the product story is not just to show off your product's features and benefits, but also to be able to make the connection into how it integrates into your consumer's daily life and potentially solves problems that they did not even know they had!

Another trait of an effective product story is the ability to create a sense of urgency. This component requires an understanding of what is important to your market and the relevancy of the product you offer. Essentially, you want to be able to convey an immediate need of purchase that will minimize unnecessary risks.

Alongside creating a sense of urgency is the ability to be able to convey your message in simple and plain language. In order to maintain a consumer's attention, product stories should not confuse consumers by using a lot of technical jargon and advanced specifications. Instead, they should be expressed in a clear and concise manner that focuses on the "what" and not the "how."

The final trait of a strong product story is creating a unified message. Consistency is key, especially for smaller brands without a track record in the industry. The authenticity conveyed in the product stories helps build a level of trust that makes consumers more comfortable with a company and loyal to their products or services. For long-lasting brands, like Apple, the brand's story of creativity and relationship building is (and continues to be) the focal point of each product story for the devices they have sold over the years. Since its founding in 1976, Apple has been able to cultivate consumer excitement and a sense of urgency for their products and innovations months in advance of commercial launch.

Storytelling
is the best Marketing!



IV. IMPROVING THE STORY

It is important to keep in mind that even an effective product story with a consistent and unified message needs to be reviewed and updated periodically. While this does not necessarily mean changing the direction of the message, it does mean recalibrating how the story is told and how it aligns to the current environment. The refresh could include a change of tone, messaging, or marketing vehicle to help it stay fresh in the mind of the consumer.

Two key pieces of information that often indicate a need to review and refresh the story are: customer feedback and sales throughput.

Now more than ever, businesses should always keep a strong pulse on the voice of the customer – as we are in a digital age where a single customer's poor experience can be amplified to thousands. In fact, in a study conducted by Nielsen, it was reported that 92% of consumer's believe suggestions from friends and families more than advertisements. Furthermore, 88% of consumer's also trust online reviews just as much as friends and family. This speaks volumes to the power of word-of-mouth marketing and consumer reviews making them a very valuable input to your product story refresh strategy.

As expected, the other leading indicator of a product story refresh are sales throughputs. When a new marketing campaign or effort is not yielding the anticipated market penetration, it is time to revisit the strategy – and the same holds true for our product stories.

When website visits and conversion rates are lower than expected, taking the time to analyze each aspect of a product story is a crucial exercise to understand the impact to the consumer's decision-making process.

In the example of Apple, despite changes in marketing capabilities, they have demonstrated an evolving understanding of their consumers which has enabled them to effectively modify their marketing strategy. Through this iterative process, they have identified their consumers' needs, behaviors and shopping patterns to develop a personalized strategy for each group that can help yield the best return-on-investment (ROI) for each market.



V. PRESERVATION OF THE PRODUCT STORY

Today, brands not only sell products on their own website, but also across multiple brick-and-mortar stores as well as other e-commerce platforms – and each place where the product is sold is a place where the story can be told.

When a product leaves the production line, precautions are taken by each link in the supply chain to ensure that its quality and perceived value is intact throughout its journey to the customer. Similar to how the product moves through the Ecosystem of Product, the responsibility of telling that story is passed on from one storyteller to the next. Whether it is your business' Amazon storefront, or the product pages on Target.com, as the list of retailers and product assortment within your company grows, it can become very difficult to manage each product page.

Additionally, as time passes, details slip through the cracks and what was once a compelling product story that educated your consumers and promoted your brand equity is now just a list of product details with an outdated product image. Brands and retailers alike should take precautions to keep this from happening, so that the value of each product is clearly communicated regardless of who is telling the story. In the Ecosystem of Product, the optimal goal is to craft the best story for your products, and collaborate with the other players to upkeep the consistency, keep consumers excited and engaged, and ultimately deliver the right products to the right people at the right time.